



City of Tucson Accessory Dwelling Unit Improvement Pilot Program Fact-Sheet

The City of Tucson's Accessory Dwelling Unit (ADU) Improvement Pilot Program provide financial and technical assistance to low-income homeowners within the City of Tucson to improve an existing Accessory Dwelling Unit (ADU) or accessory structure that can be improved to an ADU on owner-occupied properties.

The City of Tucson Housing and Community Development Department has allocated \$200,00.00 (PY22-CDBG) to assist eligible low-income households with ADU improvements during the 12-month pilot period. We anticipate providing financial assistance up to a maximum of \$20,000 per participating household and serving 7-10 households through the pilot project. Improvements can include needed repairs and/or minor kitchen and bathroom upgrades to make the ADU habitable.

Eligibility:

To be eligible, the assisted property must be located within the City of Tucson limits. The homeowner must live in a housing unit on the property on which the ADU is located and must meet household income limits outlined below.

If the existing structure is unpermitted, please contact the Department of Developmental Services and ask for an evaluation of the existing structure prior to applying for this program. DSD contact info is (520)791-5550, or Zone1.desk@tucsonaz.gov. Only permitted structures will be eligible for services under this program.

In order to qualify for the program, the mortgage and property tax payments for the property must be current and in good standing, and the property must be free of delinquent liens.

Household Income Eligibility:

This program is funded through the Community Development Block Grant (CDBG) administered by the U.S. Department of Housing and Urban Development. Consistent with Federal requirements, this program can only serve Tucson residents with gross annual incomes equal to or less than 80% of Area Median Income. The table below shows maximum household incomes based on the family size for 2022.

Family Size	Income	Family Size	Income
1	\$45,500	5	\$70,150
2	\$52,000	6	\$75,350
3	\$58,500	7	\$80,550
4	\$69,450	8	\$85,750

In addition to the income eligibility above, this program is only available to households with \$20,000 or less in liquid assets. Liquid assets include cash on hand, checking-savings accounts, and U.S. Savings stocks and bonds available to the applicant. Applicants exceeding the asset limit of \$20,000 are ineligible for assistance.

Terms of Participation:

Participating households can apply for assistance up to a maximum of \$20,000 for eligible improvements. The first \$10,000 in assistance will be provided as a grant with no repayment terms. Any amount of assistance above \$10,000 will include a 10-year forgivable lien which must be repaid if the property is sold or transfers ownership within 120 months of project completion. If the property is still owned by the original owner after 120 months, the lien will be removed, and no repayment will be required.

The City of Tucson will not fund repairs or improvements for which the total cost exceeds \$20,000.

Additional terms and conditions may apply and will be discussed with prospective participants during the eligibility determination process.

Eligible Improvements

Program is not intended to be for new construction or for total unit conversion/renovation/rehabilitation.

- Gas Repair
- Water Repair
- Sewer Repair
- Electrical
- Structural
- Heating & Cooling
- Water Heater Replacement
- Roof Repairs/Replacement
- Kitchen and Bathroom Improvements

**Requests for waivers can be made for special circumstances and will be subject to a review committee and HCD Director approval*